



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

<b>Bill #</b>	HB0413	<b>Title:</b>	License plate fee waiver for national guard
<b>Primary Sponsor:</b>	Milburn, Mike	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input type="checkbox"/> Needs to be included in HB 2  | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	(\$39,672)	(\$79,344)	(\$79,344)	(\$79,344)
State Special Revenue	(\$2,349)	(\$4,698)	(\$4,698)	(\$4,698)
<b>Net Impact-General Fund Balance</b>	<u>(\$39,672)</u>	<u>(\$79,344)</u>	<u>(\$79,344)</u>	<u>(\$79,344)</u>

#### Description of fiscal impact:

The bill exempts eligible members of the Montana National Guard from vehicle registration fees for one motor vehicle. The bill will decrease general fund and state special revenues.

### FISCAL ANALYSIS

#### Assumptions:

1. It is assumed that this bill will be effective January 1, 2008 based upon 1-2-201(c), MCA.
2. There are 522 National Guard plates issued in Montana as of December 2006. It is assumed these are all registered to light motor vehicles and that each vehicle is currently owned by a different National Guard member.
3. It is assumed the number of National Guard members who register vehicles will remain constant at 522.
4. Under current law, the owners of motor vehicles with National Guard plates pay the following registration fees: light vehicle registration fee (\$217.00/\$87.00/\$28.00 depending on age of the vehicle), county local

option vehicle tax (percentage of the vehicle's taxable value), MHP salary and retention fee (\$5.00), light motor vehicle FWP park fee (\$4.00 optional), GVW tax (light trucks \$7.00/\$12.50/\$17.50 depending on class), new issue plate fee (\$5.00 if applicable), title fee (\$10.00/\$12.00 if applicable and depending on vehicle type), lien filing fee (\$8.00 if applicable).

5. Under the provisions of HB 413, the owners of motor vehicles qualifying for National Guard plates will not pay the following fees: (1) light vehicle registration fee (\$217.00/\$87.00/\$28.00 depending on age of the vehicle), (2) county option tax (percentage of the vehicle's taxable value), (3) MHP salary and retention fee (\$5.00), and (4) the light motor vehicle FWP park fee (\$4.00 optional) for two vehicles.
6. Assuming each of the 522 National Guard members will license one motor vehicle which is either: (1) a light motor vehicle in the one to four year old or less range or (2) a light motor vehicle in the five to ten year old range. The following annual fiscal impacts will occur: (1) a general fund decrease in light vehicle registration fees of \$79,344 ((261 vehicles 1-4 yr old x \$217.00) + (261 vehicles 5-10 yr old x \$87.00)); (2) a state special revenue decrease in MHP salary and retention fee of \$2,610 (522 vehicles x \$5.00); and (3) a state special revenue decrease in the light motor vehicle FWP park fee of \$2,088 (522 vehicles x \$4.00).
7. Revenue decreases for FY 2008 will be 50% of the annual impact due to the effective date of January 1, 2008.
  - General Fund Decrease: \$39,672 (\$79,344 x 0.5)
  - State Special Decrease: \$2,349 ((\$2,610 + \$2,088) x 0.5)
8. Operating costs, including training for county motor vehicle personnel, can be absorbed in the existing budget. No programming will be required on the mainframe to implement this proposal.

	<b><u>FY 2008 Difference</u></b>	<b><u>FY 2009 Difference</u></b>	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b><u>Revenues:</u></b>				
General Fund (01)	(\$39,672)	(\$79,344)	(\$79,344)	(\$79,344)
State Special Revenue (02)	(\$2,349)	(\$4,698)	(\$4,698)	(\$4,698)
<b>TOTAL Revenues</b>	<b>(\$42,021)</b>	<b>(\$84,042)</b>	<b>(\$84,042)</b>	<b>(\$84,042)</b>

**Net Impact to Fund Balance (Revenue minus Funding of Expenditures):**

General Fund (01)	(\$39,672)	(\$79,344)	(\$79,344)	(\$79,344)
State Special Revenue (02)	(\$2,349)	(\$4,698)	(\$4,698)	(\$4,698)

**Effect on County or Other Local Revenues or Expenditures:**

1. Counties will see a decrease in county option taxes collected dependent upon the value of the vehicles registered by members of the National Guard in each county.

\_\_\_\_\_  
Sponsor's Initials

\_\_\_\_\_  
Date

\_\_\_\_\_  
Budget Director's Initials

\_\_\_\_\_  
Date